

**EXHIBIT J**

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF TEXAS

CASE NO.: 07-20027

United States Courts  
Southern District of Texas  
FILED

JUN - 7 2007

STYLE: Scotia Development, LLC

Michael N. Milby, Clerk of Court

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United States Courts  
Southern District of Texas  
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**Michael N. Milby, Clerk of Court**

MOTION HEARING

BEFORE THE HONORABLE RICHARD SCHMIDT  
UNITED STATES BANKRUPTCY JUDGE

**TRINITY TRANSCRIPTION SERVICES**

## CORPUS CHRISTI DIVISION

IN RE: SCOTIA DEVELOPMENT LLC, . CASE NO. 07-20027  
. .  
. CORPUS CHRISTI, TEXAS  
DEBTOR. . TUESDAY, MAY 22, 2007  
. 2:01 P.M. TO 2:25 P.M.  
. . . . .

BEFORE THE HONORABLE RICHARD SCHMIDT  
UNITED STATES BANKRUPTCY JUDGE

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**Corpus Christi, Texas; Tuesday, May 22, 2007; 2:01 p.m.**

**(Some Parties Appearing Telephonically)**

**THE COURT:** Be seated.

**(Pause)**

**THE COURT:** Send in the call. All right.

Paul Pascuzzi?

**MR. PASCUZZI:** Present, your Honor.

**THE COURT:** Kurt Mayr, Mayr.

**MR. MAYR:** -- your Honor.

**THE COURT:** Evan Flaschen?

**MR. FLASCHEN:** Present, your Honor.

**THE COURT:** John Higgins.

**MR. HIGGINS:** Present, your Honor.

**THE COURT:** Maxim Litvak?

**MR. LITVAK:** I'm here, your Honor, along with John Fiero from my firm for the Committee.

**THE COURT:** All right. Gary Kaplan?

**MR. KAPLAN:** Present, your Honor.

**THE COURT:** Evan Jones?

**MR. JONES:** Present, your Honor.

**THE COURT:** Mark Wege?

**MR. WEGE:** Present, your Honor.

**THE COURT:** Mark Worden?

**MR. WORDEN:** Present, your Honor.

**THE COURT:** And then another Mark Worden, probably



1 the same guy.

2 Alan Gover?

3 **MR. GARAFALO:** Matt Garafalo standing in for Alan  
4 Gover, your Honor.

5 **THE COURT:** And Roberto Kampfner?

6 **MR. GARAFALO:** He won't be calling in, your Honor.

7 **THE COURT:** All right. Todd Hanson?

8 **MR. HANSON:** Present, your Honor.

9 **THE COURT:** Joli Pecht?

10 **MS. PECHT:** Present, your Honor.

11 **THE COURT:** David Zazove or Zazove?

12 **(No audible response)**

13 **THE COURT:** Daniel, pardon me, Zazove, Z-a-z-o-v-e,  
14 Perkins Cole?

15 **(No audible response)**

16 **THE COURT:** All right. Susan Fennessey?

17 **MS. FENNESSEY:** Present, your Honor.

18 **THE COURT:** Francine Brodowicz?

19 **MR. BRODOWICZ:** Present, your Honor.

20 **THE COURT:** Jacob Cherner?

21 **MR. CHERNER:** Present, your Honor.

22 **THE COURT:** Luckey McDowell?

23 **MR. MCDOWELL:** Present, your Honor.

24 **THE COURT:** Molly Bogdan?

25 **MS. BOGDAN:** Present, your Honor.

1           **THE COURT:** Matt Doheny?

2           **MR. DOHENY:** Present.

3           **THE COURT:** Wei Wang?

4           **MR. WANG:** Present, your Honor.

5           **THE COURT:** And Matt Reed?

6           **MR. REED:** Present, your Honor.

7           **THE COURT:** Anyone else on the call?

8           **MR. MELKO:** John Melko here, your Honor.

9           **THE COURT:** All right.

10          **MR. BACIK:** Frank Bacik here with Gary Clark, your  
11 Honor.

12          **THE COURT:** All right.

13          **MR. NEIER:** David Neier on behalf of Marathon, your  
14 Honor.

15          **THE COURT:** Thank you. Anyone else?

16          **(No audible response)**

17          **THE COURT:** All right. In the courtroom?  
18 Mr. Holzer?

19          **MR. HOLZER:** For Pacific Lumber and its subsidiaries,  
20 except Scotia Pacific.

21          **MS. COLEMAN:** Good afternoon, your Honor. Kathryn  
22 Coleman, Eric Fromme of Gibson, Dunn, & Crutcher for Scotia  
23 Pacific.

24          **MR. PENN:** And John Penn on behalf of Marathon.

25          **THE COURT:** All right.

1           **MR. HOLZER:** Couple of matters up, your Honor. One I  
2 think will take some argument. That's the Motion to Reconsider  
3 Docket Number 717, dropped to the end. Docket Number 766 is  
4 the Motion of LaSalle Bank to Approve Transfer of Claim.

5           LaSalle Bank filed a notice of withdrawal of that  
6 motion already. That's at Docket Number 807. So I don't think  
7 this one --

8           **THE COURT:** They're not transferring their claim?

9           **MR. HOLZER:** I think their claim is transferred, your  
10 Honor. I don't know -- I don't have any first-hand personal  
11 knowledge. But they -- they withdrew their motion to transfer  
12 the claim. And they've dismissed their lawsuit with respect to  
13 that. We haven't heard from Mr. Kaim since.

14           **MR. WEGE:** Your Honor, Mark Wege here on behalf of  
15 LaSalle.

16           We have received the consent by Marathon with respect  
17 to the transfer of the claim. As we sit here right now, I  
18 don't know if that has been closed, but that is pending.

19           **THE COURT:** Okay. Thank you.

20           **MR. HOLZER:** Your Honor, Docket Number 5, 9, 1 is the  
21 Motion to Assume or Reject a contract with NEC.

22           There is a -- and we'd like to pass that for, I  
23 believe about 30 days. There's a pending motion for a  
24 settlement at Docket Number 732 that --

25           **THE COURT:** Okay.

1           **MR. HOLZER:** -- if that is approved then this motion  
2 will become moot.

3           **THE COURT:** All right.

4           **MR. HOLZER:** So if we can set that 30 days off, I  
5 think that'll be enough time.

6           **THE COURT:** Whatever the day is 30 days from now  
7 then, probably just -- do you have -- do you know the 30 day  
8 date?

9           **MR. HOLZER:** I don't offhand, Judge.

10          **THE COURT:** Today is the -- that would be about the  
11 26<sup>th</sup>?

12          **THE CLERK:** We have Scotia on the --

13          **THE COURT:** Yeah.

14          **THE CLERK:** -- 22<sup>nd</sup> at 2.

15          **MR. HOLZER:** That would be --

16          **THE COURT:** Twenty-second? Okay. Then --

17          **THE CLERK:** At two.

18          **THE COURT:** Then let's go to the 22<sup>nd</sup>, June 22<sup>nd</sup>.

19          **THE CLERK:** Yes, sir.

20          **MR. HOLZER:** June.

21          **THE COURT:** All right.

22          **MR. HOLZER:** Thank you, Judge.

23                 So that leaves Docket Number 589, is the Pacific  
24 Lumber's application to approve a compromise and settlement  
25 with Northern California Riverwatch. This motion's been on for

1 30 days. There have been no objections.

2 Basically, this is settlement of some pre-petition  
3 litigation on which a settlement agreement had actually been  
4 signed prior to the bankruptcy. And we're asking the Court to  
5 approve --

6 **THE COURT:** Okay. The Committee?

7 **MR. LITVAK:** Your Honor, no objection.

8 **THE COURT:** All right. Anyone else have an  
9 objection?

10 **(No audible response)**

11 **THE COURT:** All right. Submit the order.

12 **MR. HOLZER:** It's submitted, your Honor.

13 That leaves Docket Number 7, 1, 7, Scopac's Motion to  
14 Reconsider on the 2019 ruling.

15 **THE COURT:** Okay.

16 **MS. COLEMAN:** Good afternoon, your Honor. Your  
17 Honor, very briefly, we filed the 2019 Motion, as well as the  
18 Motion for Reconsideration, in an attempt to create a level  
19 playing field for everybody.

20 Really all we want is the noteholder group to comply  
21 with the statutory obligation to disclose some basic  
22 information. Now the price of participation, your Honor, is  
23 disclosure.

24 And when you denied the 2019, you really decided two  
25 things. You decided, first, the noteholder group is not a

1 committee. And then you also decided that Bracewell, the  
2 noteholder group's counsel is an entity representing more than  
3 one creditor and, therefore, subject to the disclosure  
4 requirements of 2019.

5 So what we're asking for today is first for the Court  
6 to reexamine the initial factual finding about whether the Ad  
7 Hoc Group is a committee. Second, we're asking your Honor to  
8 clarify your bench ruling that Bracewell is an entity  
9 representing more than one creditor and, therefore, requires to  
10 make continuing disclosure under 2019.

11 So let's go for the first thing first, the  
12 reconsidering the factual findings. You found this is not a  
13 committee. Quote, you said, "At this point, this is just one  
14 law firm representing a bunch of creditors."

15 Your Honor, during the hearing, we presented fairly  
16 considerable evidence that the noteholder group was formed back  
17 in 2005, over two years ago, as an ad hoc committee. It held  
18 itself out to Scopac and to the world as an ad hoc committee.  
19 It appeared before this Court as an ad hoc committee.

20 Specifically, we presented copies of the ad hoc  
21 committee's engagement letter with counsel, the engagement  
22 letter with their financial advisor, a copy of their non-  
23 disclosure agreement between Scopac and counsel for the  
24 committee, as well as the listing of every pleading filed by  
25 the ad hoc committee stating that they are an ad hoc committee.

1           Each of those documents clearly -- clearly shows you  
2 that the noteholder group organized itself as a committee,  
3 retained counsel at Scopac's request as a committee, retained a  
4 financial advisor as a committee, entered into a  
5 confidentiality agreement with Scopac as a committee, and  
6 appeared, I think some 17 times in this case, as a committee.

7           What do we have on the other side? The noteholder  
8 group didn't present any evidence to the contrary showing that  
9 they were not a committee. They just said they weren't.

10           Your Honor, we would submit that the clear weight of  
11 evidence before the Court demonstrates this group --

12           **THE COURT:** Then they changed their name to group.

13           **MS. COLEMAN:** And they changed their name to group.  
14 That's true, your Honor. That's the change they made.

15           And that's kind of the point, your Honor. They are a  
16 committee. They've held themselves out to the Court and the  
17 world as a committee. And they shouldn't be able to avoid the  
18 requirements of 2019, which are not onerous by simply changing  
19 their name or changing the heading on their pleadings. So  
20 that's the first thing you were asking for, your Honor.

21           And we're respectfully asking that you reconsider  
22 your decision and find that they are, in fact a committee.

23           Now second, and kind of separate from the first --  
24 the first request that we have. We would ask the Court to  
25 clarify its bench ruling that Bracewell is subject to 2019, and

1 therefore subject to continuing disclosure.

2 And in their response to the 2019 motion, your Honor,  
3 Bracewell said we're not an entity representing a bunch of  
4 creditors, because we only have one client, the noteholder  
5 group. And therefore, we don't really have to disclose, even  
6 though we did file a cursory statement voluntarily, we didn't  
7 really have to.

8 And you rejected that position, your Honor. You  
9 said, during the April 17<sup>th</sup> hearing, you said that, no, I don't  
10 accept the one client theory. I think that Bracewell is a law  
11 firm representing a bunch of creditors.

12 You clearly directed Bracewell in that hearing, or at  
13 that -- at the time of that ruling, to update its 2019  
14 statement.

15 Before we filed this motion, we sent a letter asking  
16 Bracewell to update its 2019 statement and provide the  
17 information. They've still not answered our letter.

18 And, your Honor, it's very clear. Rule 2019 applies  
19 to any "entity representing more than one creditor." And  
20 that's what you found here.

21 So what do they have to file? What do we want? Well  
22 they've got to file a few things, not very much, but a few.

23 The name and address of each of the creditors that  
24 the entity represents, the nature and amount of the claim, and  
25 then a recital of the pertinent facts and circumstances in



1 connection with the entity's employment.

2 So that's what we're asking for, your Honor. Now  
3 what does Bracewell say? Well they make two arguments against  
4 our motion.

5 First they said, well because Scopac participated in  
6 drafting the form of order, somehow it's precluded from asking  
7 for a clarification. Your Honor, Rule 60 was designed for  
8 precisely this situation.

9 And second of all, the Court clearly directed  
10 Bracewell in your oral ruling to update its statement. We  
11 didn't think we had to put it in the order, because we thought  
12 your direction was apparent. But since we've received no  
13 response to our request for updated information under 2019, we  
14 felt we needed to file a motion.

15 The next thing that Bracewell argues is that they  
16 were not a party to the motion and therefore no relief can be  
17 entered against them. You can't order them to file any more --  
18 any more disclosure.

19 And that's not right, because in their response to  
20 the motion, Bracewell brought itself into play by arguing it  
21 only had one client, the group, although that group was not a  
22 committee.

23 But you rejected that, your Honor, and you found  
24 that Bracewell was a law firm representing a number of  
25 creditors, not just one.

1           So now, they're saying, well notwithstanding the  
2 Court's clear holding, it still doesn't have to require -- it  
3 still isn't required to comply with 2019.

4           Your Honor, final point, they can't have it both  
5 ways. Either the noteholder group is a committee and they have  
6 to make that disclosure under 2019, or Bracewell is an entity  
7 representing multiple creditors, and they have to make the  
8 disclosure required by 2019.

9           The Rule clearly applies to the group. The group  
10 knows the rule applies. And they're tap dancing around the  
11 fringes of the rule in an attempt to show it doesn't apply.

12           And, your Honor, respectfully -- respectfully, we  
13 would like to require all parties to comply with their  
14 statutory obligations to provide some very basic information.  
15 Thank you.

16           **THE COURT:** All right. Thank you.

17           **MR. FLASCHEN:** Your Honor, Evan Flaschen of Bracewell  
18 & Giuliani for the noteholder group.

19           This is a Motion for Reconsideration. Your Honor  
20 entered an order. And using your words, "After reviewing  
21 carefully all of the pleadings."

22           The form of order was the form submitted by Scotia  
23 Pacific. Quoting from their pleading objecting to the  
24 noteholder form of order,

25           "Scopac respectfully requests that this Court reject

1 the noteholder proposed order and, instead, enters  
2 Scopac's proposed form of order."

3 Noteholders consented to Scopac's form, and that's  
4 what your Honor entered.

5 There are only two grounds for reopening that order  
6 which Scopac conceived in its pleading.

7 The first ground is manifest error of law or fact.  
8 Manifest error is defined as an error that is plain  
9 indisputable that amounts to a complete disregard of the  
10 controlling law, or the credible evidence in the record.

11 No one here has argued that there is any controlling  
12 law on this issue that is adverse to the noteholders.  
13 Therefore, your Honor will need to tell us whether you  
14 completely disregarded the credible evidence in the record.

15 There was, in fact, no evidence in the record --

16 **THE COURT:** Do you know the docket number on the  
17 order?

18 **MR. HOLZER:** I have a copy for you.

19 **MR. FLASCHEN:** Six fifty-nine, your Honor.

20 And the actual order as entered also has at the top  
21 of it a second docket number 658-4, which shows you just signed  
22 the form of order they submitted to you.

23 **THE COURT:** Okay.

24 **MR. FLASCHEN:** So even though the order itself says  
25 submitted by Evan Flaschen and Gregory Nye, it's, in fact, the

1 order that they submitted.

2 So there's no controlling law you disregarded.  
3 There's no credible evidence in the record at all. But even if  
4 there is evidence, we believe it was countered by the documents  
5 attached to our pleadings, showing repeated statements by  
6 Scopac expressing frustration that our group was only, in their  
7 view, 15 or 20 percent of the notes. And, therefore, could not  
8 represent the noteholders.

9 We also had oral argument. And again, unless your  
10 Honor believes you completely disregarded the pleadings, the  
11 arguments, the documents, then there is no ground for reopening  
12 this under Rule 9023.

13 Rule 9024 is even more basic. Was there a clerical  
14 error? Did you intend one thing, but by mere clerical mistake  
15 or oversight do another? I was paraphrasing from a Fifth  
16 Circuit decision.

17 **(Pause)**

18 **MR. FLASCHEN:** It seems to us you did exactly what  
19 you intended to do, which was enter an order finding that the  
20 committee did not -- was not a committee within the meaning of  
21 the specific rule, and that the noteholder group did not need  
22 to comply with the rule.

23 For the first time in their Motion for  
24 Reconsideration, Scopac now raises arguments about Bracewell.  
25 Their original motion did not seek relief against Bracewell.

1 It was a Motion to Compel the noteholder group.

2 At no time did any of their pleadings seek relief  
3 against Bracewell. This was an argument they could have made  
4 in their original motion, and they did not. And I will now  
5 quote from In re: Kellogg. It's an Eleventh Circuit decision.  
6 It is cited in our brief of pleading, which says that, in that  
7 case,

8 "Kellogg may not use a Rule 5019 Motion to raise  
9 argument available but not advanced at the hearing."

10 They did not advance any arguments about Bracewell.  
11 They cannot do so now on a Motion for Reconsideration.

12 Finally, repeating Ms. Coleman's words about what  
13 they want Bracewell to disclose, the names and addresses of its  
14 clients. Well we disclosed the names. The addresses you can  
15 find on the internet. But we're happy to send along the  
16 addresses of the clients if they would find that helpful, on a  
17 voluntary basis.

18 We disclose that in footnote one of every single  
19 pleading we have filed in this case, including long before they  
20 filed their 2019 motion.

21 Second, the amount of the claim. We have repeatedly  
22 disclosed the amount of the aggregate claim of the noteholder  
23 group. Sometimes more than 90 percent, sometimes more than 95  
24 percent. To be precise for this hearing, based on the most  
25 recent information reported to me, the noteholder group holds

1 98.06 percent of the notes in the Timber Noteholder Indenture.

2 Three, are the circumstances of engagement. We have  
3 repeatedly stated the circumstances of engagement in our own  
4 pleadings. Scopac contacted noteholders in March, 2005 and  
5 said, would you please form a group to have discussions with  
6 us.

7 In March, 2005, that group retained Bingham  
8 McCutcheon, which then became, because of the lawyers  
9 transferred to Bracewell, became Bracewell. So we have  
10 repeatedly disclosed those circumstances. And we're repeatedly  
11 said we do not have an engagement letter.

12 Well starting over, it would take remarkable  
13 circumstances to change an order. The proper vehicle for  
14 Scopac, if they disagree with, your Honor's decision, is to  
15 file an appeal.

16 Second, they can't now seek relief against Bracewell  
17 when they didn't, in their pleadings, to begin with. Three,  
18 even if Bracewell were subject to 2019, which we dispute, and  
19 if they ever file a motion, which we will dispute in writing,  
20 we believe we have complied with what the order would require.

21 So why they even filed this motion, I don't know.  
22 But unless your Honor says it completely disregarded everything  
23 that's been filed to date, your Honor cannot, as a matter of  
24 law, alter or amend the order that you've already entered.

25 Thank you.

1           **MS. COLEMAN:** Your Honor, very, very briefly in  
2 response.

3           The evidence point, your Honor. At trial we  
4 presented all the documents I described to you and gave copies  
5 to the other parties in the courtroom. They were handed up to  
6 you and accepted into the record.

7           No objection was made to their admission into  
8 evidence at that time. So I don't think that -- that Bracewell  
9 can now raise that -- raise that point.

10          Second, your Honor, the issue with respect to  
11 including Bracewell in the order, you said it on the record,  
12 your Honor. And you ordered Bracewell to do something.

13          The fact that it wasn't in the order was because we  
14 didn't think we needed to have it in the order, because we  
15 thought it was so self-evident. Clearly, it wasn't, because we  
16 have still not received a response. Although, Mr. Flaschen now  
17 says that he will send along some things.

18          And finally, your Honor, the disclosure of the  
19 aggregate claim is not response to what's required by 2019.  
20 Twenty nineteen clearly requires an entity representing more  
21 than one creditor to disclose the amount of the claim, not what  
22 it paid, that's only if it's a -- it's only if it's a  
23 committee. You don't have to disclose the amount you paid if  
24 you're an entity representing more than one creditor. But you  
25 do have to disclose the amount of each creditor's claim, not

1 simply the aggregate amount.

2 And finally, your Honor, with respect to the -- the  
3 question of whether Bracewell was or was not a party to the  
4 original motion, the fact remains that your Honor told  
5 Bracewell it had to do something in your oral ruling. And I  
6 don't think that they can now say that they are not required to  
7 do so simply because the original motion was seeking relief  
8 against the committee.

9 Thank you, your Honor.

10 **MR. FLASCHEN:** And then, your Honor, an even briefer  
11 response.

12 Your oral ruling, and I quote, "All I'm doing is  
13 denying the Motion to File the 2019 Information as requested."  
14 Your order, "The noteholder group is not a committee. The  
15 noteholder group is not subject to disclosure."

16 There is no order here that Bracewell need to do  
17 anything. And if they want Bracewell to do something, they  
18 should file a motion against Bracewell, which we will  
19 vigorously defend, because that motion will also be in error.

20 Thank you, your Honor.

21 **THE COURT:** Okay. Okay. I agree that the original  
22 motion did not request that Bracewell do anything. It was a  
23 request that -- that the committee or slash group comply with  
24 2019. And I think I ruled consistent with the -- with the  
25 order.



1 I suspect if I wanted to change the order, I probably  
2 would change it to say that I -- the motion's denied, that  
3 they're not a committee. But to the extent that they are, then  
4 I grant them permission not to file the stuff.

5 But I did. And second, I think I can probably  
6 reconsider any of my orders and redraw them any way I want.  
7 I'm not going to reconsider this one.

8 And then further, I think I did point out that I  
9 thought that Bracewell & Giuliani, although it's not before me,  
10 and I reserve the right to change my mind if it's brought  
11 before me, because I'm not prejudging the issue, but that --  
12 that reading 2019, which, you know, it's one of those  
13 provisions in the Code that, you know, you guys probably read  
14 these things all the time, has never, ever come before me. I  
15 forgot it was even there.

16 And if from time to time when I read through the Code  
17 I find new things again that I probably knew at one time that I  
18 don't remember.

19 And now this seems to be on -- I mean, since -- well  
20 probably since the airline case, this is now on everybody's  
21 radar as a current topic to discuss.

22 In any event, I personally think that -- that you  
23 should comply with the provisions of 2019 with respect to your  
24 representation. I thought to the extent that, I mean, you  
25 know, I said that from the bench. I don't think it needs to be

1 in the order either, because that was not the relief that was  
2 requested.

3 I think you need to comply. However that takes form,  
4 or if you want to, you know, using the sporting theory or  
5 jurisprudence, wait till they file a motion, and then -- then  
6 we argue about it. I don't know what the remedy is if you  
7 don't comply. But I -- you know, you have pretty much complied  
8 with it.

9 I suspect technically you should file the specific  
10 amounts of the claims of each of the -- of your people you  
11 represent. But I think this is -- I know that this is one of  
12 those things that everybody finds important.

13 I think it's far more important in the sense of the  
14 impact it might have on the trading of claims and the  
15 distressed claims market. And that's the reason I -- I made  
16 sort of a practical decision when I made the decision.

17 In any event, I also understand that -- that this is  
18 one of those things that -- that, I mean, you can't fault the  
19 reasoning of the New York Court. I just don't think that was  
20 what was intended by the statute originally. I think the  
21 statute went back to the old Douglass group and whatever  
22 that -- those -- that group, the study of -- of committees as  
23 they existed back then, and not committee in the sense that we  
24 talk about them now. And so what's why I sort of drew that  
25 line.

1 In short, I'm denying the Motion to Reconsider.

2 Anything further?

3 **MR. FLASCHEN:** Judge, yes, your Honor. Evan Flaschen  
4 of Bracewell.

5 My understanding of what you said is somewhere  
6 between you think we should comply, or you're asking us to  
7 comply. Bracewell as a law firm respectfully, we would request  
8 Scopac to file a motion, because we would be the Defendant on  
9 several grounds, both that it does not apply to us. And even  
10 if it does, they're not interpreting it --

11 **THE COURT:** So you're going to argue about all this  
12 over whether or not you have to file a list of the -- the  
13 claims that -- of the people that you -- that you represent  
14 when you're already doing everything else? In fact, you're  
15 doing more.

16 **MR. FLASCHEN:** The amount of their individual  
17 holdings, absolutely, your Honor. We do not believe the rule  
18 requires that disclosure.

19 **THE COURT:** Well --

20 **MR. FLASCHEN:** And we welcome --

21 **THE COURT:** -- don't they all have to file claims  
22 anyway?

23 **MR. FLASCHEN:** And we welcome the opportunity to  
24 brief it, your Honor.

25 No the indenture trustee files a single claim on

1 behalf of all of them.

2 **THE COURT:** All of them. Okay.

3 Well maybe then it's an issue worth arguing about it.  
4 It doesn't seem like it to me, but we'll argue about it when it  
5 finally gets in front of me.

6 **MR. FLASCHEN:** Thank you.

7 **THE COURT:** Great. Thank you very much.

8 Anything further? Yes, sir.

9 **MR. PENN:** Your Honor, John Penn on behalf of  
10 Marathon. Just wanted to give you a heads up that next week on  
11 the hearings on the 31<sup>st</sup>, we may be bringing before you an  
12 issue dealing with the order last week on exclusivity and  
13 document availability and access.

14 **THE COURT:** Okay. So --

15 **MR. PENN:** Just a heads up that --

16 **THE COURT:** -- there seems to be a --

17 **MR. PENN:** -- that might be coming.

18 **THE COURT:** -- slip up on the access to documents?

19 **MR. PENN:** There's a disagreement that we're still  
20 trying to work through.

21 **THE COURT:** Okay.

22 **MR. PENN:** And if we're not able to work through it,  
23 we'll be in front on you next Thursday to argue about it.

24 **THE COURT:** And that hearing's in Houston.

25 **MR. PENN:** Correct.

1           **THE COURT:** All right. Good. Anything else?

2           **(No audible response)**

3           **THE COURT:** Thank you. You're all excused.

4           **MR. FLASCHEN:** Thank you, your Honor,

5           **MS. COLEMAN:** Thank you, your Honor.

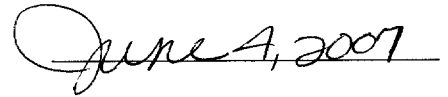
6           **(This proceeding was adjourned at 2:25 p.m.)**

CERTIFICATION

I certify that the foregoing is a correct transcript from the  
electronic sound recording of the proceedings in the above-  
entitled matter.



Transcriber



Date

07-20027

05/22/07 - 06/04/07